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August 9, 2004

Mary L. Cottrell, Secretary
Department of Telecommunication and Energy
One South Station, 2nd Floor
Boston, MA 02202

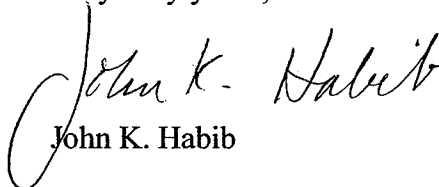
Re: Cambridge Electric Light Company/Commonwealth Electric Company,
D.T.E. 04-60

Dear Secretary Cottrell:

Enclosed please find the record request responses of Cambridge Electric Light Company ("Cambridge") and Commonwealth Electric Company ("Commonwealth"), each d/b/a NSTAR Electric ("NSTAR Electric") asked by the Department of Telecommunications and Energy and the Attorney General in the above-referenced proceeding, as listed on the following page.

Thank you for your attention to this matter.

Very truly yours,


John K. Habib

Enclosures

cc: Service List
Joan Foster Evans, Hearing Officer (2)
Colleen McConnell, Assistant Attorney General (2)

RESPONSES ATTACHED

RR-AG-1
RR-AG-2
RR-AG-3
RR-AG-4
RR-DTE-1
RR-DTE-2
RR-DTE-3
RR-DTE-6
RR-DTE-7
RR-DTE-8

Record Request AG-1 (Tr. 1, at 53)

Please provide any information that CEA reviewed or is in its possession regarding the minutes or memoranda from the meetings of the administrative committee referenced under the terms of the existing Pittsfield PPA.

Response

CEA did not have in its possession any such minutes or memoranda from meetings of the administrative committee referenced under the terms of the existing Pittsfield PPA.

Record Request AG-2 (Tr. 1, at 160)

Please provide the date when NEPOOL's dispatching rules were changed to accommodate a competitive wholesale market.

Response

NEPOOL dispatch rules changed from cost based to competitive-bid based on May 1, 1999. Since then, many changes have been made to the rules to accommodate a competitive wholesale market.

Record Request AG-3 (Tr. 1, at 175)

Please provide copies of the minutes, memoranda or communications from the meetings of the administrative committee that is referenced under the terms of the existing Pittsfield PPA.

Response

The plant achieved commercial operation in August 1990. The Companies have been unable to locate documents on minutes of meetings prior to 1993. Please refer to Attachments RR-AG-3 (a) through (m) summarized below for the requested information. Most of the attached documents cover the period when the dispatch of the plant based on the numbers of starts and stops was in dispute (See Information Request AG 01-01 (i) through (j). At the November 8, 1995 teleconference meeting (see Attachment RR AG-3 Attachment (I)), it was agreed to hold these meetings by teleconference. Since issues were being dealt with on a day to day basis rather than waiting for a semiannual meetings, the Semi-Annual Administrative Committee meetings were discontinued.

		Meeting Date	Memo Date
A	Minutes	9/8/93	9/15/93
B	Minutes - revision	8/25/93	9/27/93
C	Agenda	3/8/94	2/9/94
D	Agenda	3/8/94	2/9/94
E	Minutes	3/8/94	4/9/94
F	Minutes - revision	3/8/94	5/9/94
G	Contract dispute	6/16/94	6/20/94
H	Agenda	11/21/94	11/2/94
I	Minutes	11/21/94	12/22/94
J	Minutes	5/17/95	5/17/95
K	Minutes-revision	5/17/95	6/8/95
L	Minutes	11/8/95	11/8/95
M	Minutes	12/2/96	2/12/97

COM Electric

Interoffice Correspondence

Subject ALTRESKO PITTSFIELD
9/8/93 MEETING

Date September 15, 1993

To FILE

Organization and Area
RESOURCE PLANNING & ADMINISTRATION
POWER SUPPLY ADMINISTRATION

A meeting was held concerning the Altresco-Pittsfield, 165 MW gas turbine facility, at the offices of J. Makowski Associates on 9/8/93. Persons in Attendance for all or portions of the meeting were:

<u>J. Makowski Inc.</u>	<u>Altresco Financial</u>	<u>New England Power</u>	<u>Com/Electric</u>
Phil Smith	Andrew Schroeder	Don Rondeau	Dan Ciullo
James Kekeisen		Dave Nickerson	Alan Johnson
Kevin Donovan			
Melissa Naegelin			
Stacey			
John Foster			
Julie Voveris			

The purpose of the meeting was to bring together representatives of Altresco Financial, Inc., J. Makowski Associates, New England Power and Com/Electric to establish a working relationship amongst the players. The meeting began with introductions and was followed up with Andy Schroeder delivering a brief history of the Altresco start-up and its recent operating history.

Highlights of the meeting were as follows:

- J. Makowski has acquired all of the assets of Altresco Financial, Inc, including the Altresco-Pittsfield unit. To date, the acquisition has been approved by the shareholders and the board of directors. Final details are currently being ironed out. The anticipated closing date is Tuesday, September 21, 1993.
- It was reaffirmed that NEP will be the lead participant and as such, will be responsible for submitting up to date NX-4's and NX-12's to NEPOOL.
- Discussion was held concerning the maximum number of starts listed on the NX- 12's. Currently, the maximum number is listed as 50 starts per gas turbine. This was done to reflect the NEP contract. However, both the Cambridge and Commonwealth contracts allow for 300 starts per year. It was pointed out that under a permit from the Department of

Environmental Protection, the unit is limited to 240 starts. NEP, Altresco and Makowski are willing to revise the NX-12 to reflect 240 starts per year.

- The system exchange agreement between NEP and CES was reviewed for the benefit of the Makowski group. It was made clear that it is fully expected that the exchange will be implemented frequently throughout the year. Makowski requested that their accountant for the project, Stacey be notified whenever an exchange is implemented.
- It was agreed that on or about the first of the month, Makowski will provide to NEP and to CES estimated fuel costs for the month along with a calculated dispatch price. NEP and CES should contact Makowski should there be any major discrepancies between their calculations and the Makowski calculations. CES will submit its calculated dispatch price to NEP, who will in turn submit it to NEPOOL Billing by the fifth of the month.
- Upon the conclusion of the general meeting, A. Johnson, D. Ciullo, A. Schroeder, Stacey and M. Naegelin reviewed a sample bill. A couple of issues regarding the bill (capacity cap per article 2.1 of the purchased power agreement and delivered energy per article 1.0 of the purchased power agreement) were brought to the attention of the Altresco/Makowski group. A. Schroeder acknowledged these issues and will look into them. In addition, question was raised as to the derivation of the line loss percentage used in the calculations. Both parties agreed to research this issue.



Alan R. Johnson
Power Supply Administrator

cc: D.P. Ciullo



Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

September 27, 1993

Mr. George A. Lehner, General Manager
Altresco Pittsfield
P.O. Box 4579
Pittsfield, MA 01202

Dear Mr. Lehner:

I have reviewed the minutes, which you prepared, regarding our August 25 Administrative Committee Meeting and take no exception to its contents. Below you will find comments or responses to issues raised during the meeting as appropriate.

- 1.) Transmission Delivery Path: We have spoken with FERC and our legal counsel and have come away with the belief that the FERC will approve the transmission agreements with an effective date of 9/1/93. Hence the lack of FERC approved transmission agreements on 9/1/93 will not be an issue if the transmission agreements are in fact approved. However, if for some reason either the agreements are not approved or the effective date of the agreement is other later than 9/1/93, then, per Article 1 of the Cambridge and Commonwealth Power Sales Agreements, the Actual-In-Service Date will be a date other than 9/1/93 and discussion will be required to determine what action, if any must be taken.
- 2.) Metering: COM/Electric does receive data from NEPOOL regarding the energy produced by non-utility as well as utility generators by way of the NEPEX 275 Report, which should match the meter data. However, it has always been our policy to have access to the actual metered data for comparison purposes. On a short term basis, NEP has informally agreed to share hard copies of data retrieved from their RAPR (data recorder) with us. I will be forwarding a request for the installation of a data recording package to you under separate cover.
- 3.) Meter Testing: Would you please send a copy of the billing meter specifications (i.e., model, form, class, transformer factors, etc.) in addition to the latest test results for our files. This information should be sent to my attention.
- 4.) Equipment Disposition Records: Although I agree that Article 14.1 of the Power Sale Agreements (PSA) may be lacking in terms of specifics, I believe that the intent of the article is quite clear. COM/Electric is not interested in participating in the routine operation and maintenance of the plant. However, for planning purposes, the Company needs to be aware of any activity that may "change the nature of the unit to the extent that it would not constitute the type of electricity generation facility operated prior to such replacement"; hence, if Altresco intends to perform any maintenance that may be considered non-routine, COM/Electric expects that: 1.) prior written consent is obtained, and 2.) records with respect to dispositions and substitutions be maintained for inspection semi-annually.

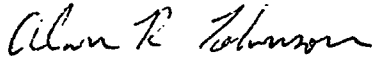
Mr. George A. Lehner
September 27, 1993
Page 2

- 5.) Good Utility Practice: COM/Electric desires to obtain confirmation from a third party that the Altresco Unit is operating in accordance with Good Utility Practice, as defined in Article 1.0 of the PSA. This is the intent of Article 14.4 of the PSA. As outlined in Article 14.4, this confirmation should be in the form of a report prepared by a nationally recognized firm of consulting engineers of Altresco's choosing, subject to the approval of COM/Electric. We have no specific areas of interest at this time.
- 6.) Meeting Schedule: I would like to tentatively schedule the next two meetings as follows:

Wednesday, February 9, 1994, 10:00 a.m. at Altresco plant
Wednesday, November 9, 1994, 10:00 a.m. at COM/Electric

I hope that the information contained herein addresses any concerns that you may have had. If you require further information or clarification, please feel free to contact me at (508) 291-0950, Extension 3579.

Sincerely,



Alan R. Johnson
Power Supply Administrator

cc: D. P. Ciullo
File

COM Electric

Interoffice Correspondence

Subject ADMINISTRATIVE COMMITTEE MEETING
ALTRESCO-PITTSFIELD

Date February 9, 1994

To D.P. CIULLO
J.J. PODRECCA
D.C. WILSON

Organization and Area
RESOURCE PLANNING & ADMINISTRATION
POWER SUPPLY ADMINISTRATION

The first of two Administrative Committee Meetings to be held during calendar year 1994, for the Altresco-Pittsfield facility, has been scheduled for Tuesday, March 8th at 11:00. The meeting will take place at the Altresco plant, which is located in Pittsfield, MA (I have requested directions. Once they arrive, I will forward a copy to you). A preliminary agenda is attached for your review. If there are additional issues that you would like addressed on the 8th, please let me know so that I may inform Altresco.

a-j.

Alan Johnson

attachments

cc: File

**ALTRESKO PITTSFIELD COGENERATION PROJECT
CAMBRIDGE-COMMONWEALTH ELECTRIC
ADMINISTRATIVE COMMITTEE MEETING AGENDA**

**MARCH 8, 1994
11:00 AM**

*******REVISED*******

11:00 Introduction and Plant Tour

12:00 Lunch

1:00 Business Discussions

***Review of Prior/Planned Dispositions and Substitutions**

Metering Issues

Recorder Project Status

Meter Testing

Unit Starts and Stops Issue

Incremental Production Cost Penalty

Projected Capacity Swaps under Exchange Agreement

Dispatch Price/Monthly Energy Charge Index Factor

Replacement Fuel Index

Results of Winter Capability Audit

Communication/Notification Contacts

Other

***Per Article 14.1 of the Cambridge and Commonwealth Power Sale Agreements, we would like to have records pertaining to prior dispositions and substitutions available for review.**

APPENDIX A

DESCRIPTION OF SITE

The Unit is located at the General Electric Plastics and Ordinance Groups' facility in Pittsfield, Massachusetts. The Site Lease and Steam Sale Agreement have been executed with General Electric.

The base plant configuration is a combined cycle power plant featuring three General Electric combustion turbine generators (GTGs), three heat recovery steam generators (HRSGs), a single condensing steam turbine (STG) with water cooled condenser, and supporting systems required for safe, environmentally sound, reliable and economic plant operation.

The supplementary fired HRSGs will supply high pressure superheated steam to the steam turbine to produce a nominal 40 MW of electricity augmenting the nominal 40 MW from each GTG. After subtracting auxiliary loads, the estimated total plant net electrical output is a nominal 160 MW at annual average conditions. Approximately 78,000 lb/hr of 210 psig process steam will be let down from the HRSG high pressure header system and delivered to General Electric's facility.

The cogeneration project occupies approximately 5.0 acres of area within the General Electric facility.

The facility has contracts to supply fuel utilizing a 365-day firm supply of natural gas, with facility requirements at approximately 31.5 million cubic feet per day (MMCFPD).

In the event of an emergency gas supply interruption, the Unit is capable of burning low sulfur distillate fuel oil as a backup fuel.

This Unit has been in commercial operation since August, 1990.

COM Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

February 9, 1994

Mr. George A. Lehner, General Manager
Altresco Pittsfield, L.P.
235 Merrill Road
Post Office Box 4579
Pittsfield, MA 01202

Re: March 8th Administrative Committee Meeting

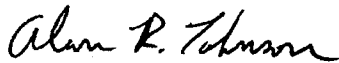
Dear Mr. Lehner:

Thank you for your letter dated February 1, 1994. I appreciate you keeping me informed regarding the Unit C outage. I have reviewed the draft agenda for our March 8th Administrative Committee Meeting, and have modified it by adding a few items. A copy is attached for your review.

As I mentioned during our phone conversation on February 1, in addition to myself, two other individuals will be in attendance on March 8th. They are John Podrecca, Technical Assistant in the Power Supply Area, and David Wilson, Manager of Mechanical Engineering.

Finally, your letter mentioned that directions to the Pittsfield site were attached. Unfortunately, I was unable to locate them. Please send out another copy of the directions at your convenience. I look forward to seeing you on March 8th.

Sincerely,



Alan R. Johnson
Power Supply Administrator

ARJ/ld

Attachment

cc: D. P. Ciullo
File

**ALTRESKO PITTSFIELD COGENERATION PROJECT
CAMBRIDGE-COMMONWEALTH ELECTRIC
ADMINISTRATIVE COMMITTEE MEETING AGENDA**

**MARCH 8, 1994
11:00 AM**

*******REVISED*******

11:00 Introduction and Plant Tour

12:00 Lunch

1:00 Business Discussions

***Review of Prior/Planned Dispositions and Substitutions**

Metering Issues

Recorder Project Status

Meter Testing

Unit Starts and Stops Issue

Incremental Production Cost Penalty

Projected Capacity Swaps under Exchange Agreement

Dispatch Price/Monthly Energy Charge Index Factor

Replacement Fuel Index

Results of Winter Capability Audit

Communication/Notification Contacts

Other

***Per Article 14.1 of the Cambridge and Commonwealth Power Sale Agreements, we would like to have records pertaining to prior dispositions and substitutions available for review.**

file



April 6, 1994
AL3090

Alan Johnson
Power Supply Administrator
Commonwealth Electric Company
2421 Cranberry Highway
Wareham Massachusetts 02571

Altresco Pittsfield Cogeneration Project

Dear Mr. Johnson,

Please find enclosed the minutes from our meeting of March 8, 1994. I would like to thank you and the others from ComElec in taking the time to come and visit our facility. I found the meeting to be very productive and look forward to working with you in the future.

If you have any questions concerning the minutes of the meeting or any other subject, please call me at

(413) 442-6905.

Very Truly Yours,

ALTRESCO PITTSFIELD, L.P.
By Altresco, Inc.
Its General Partner

A handwritten signature in cursive script, appearing to read "George A. Lehner".

George A. Lehner
General Manager

MEC\

enc

cc: C. Terajewicz
B. Warburton
P. Smith
S. Santilli
M. Cartney
Altresco Project File

**Minutes For
Commonwealth Electric
And Altresco Pittsfield Cogeneration Project
Administrative Committee Meeting
March 8, 1994**

The purpose of the meeting was to discuss administrative and contract issues between Altresco and ComElec. Also included was a tour of the facility to answer any questions Commonwealth may have had concerning the plant operations.

Attending the meeting were the following

Name	Company	Position
Alan Johnson	Commonwealth Electric	Power Supply Administrator
David Wilson	Commonwealth Electric	Manager Mechanical Engineering
John Podrecca	Commonwealth Electric	Technical Assistant
George Lehner	Altresco Pittsfield	General Manager
Michael Cartney	Altresco Pittsfield	Production Engineer
Bob Warburton	J. Makowski	Director Business Management
Phil Smith	J. Makowski	Manager of Contracts
Sue-Joe Shin	J. Makowski	Operations Analyst
Stacey Santilli	J. Makowski	Project Accountant

Following introductions, a brief description of the business relationship between Altresco and J. Makowski was made to clarify the reporting and contract billing procedures.

No changes were made to the original agenda during the meeting. A copy of the agenda is attached at the end of the minutes.

Review of Prior/Planned Dispositions and Substitutions

Altresco stated through its letter of March 7, 1994, that there have not been any prior dispositions or substitutions to report. In the letter there are mentions of some potential changes at the plant (replacing BFW heaters and potential inlet cooling). Alan Johnson requested that ComElec be made aware of any future changes as a courtesy.

Metering Issues

Altresco gave ComElec an update on the status of the installation of the on-site recording meters. EDM Services is performing the engineering for Altresco to install the meters. The meters are currently on order and EDM is now waiting for updated drawings from NorthEast Utilities. Altresco provided ComElec with a letter from EDM providing the details on the status of the project.

Another issue was past and upcoming meter testing results. ComElec requested and Altresco provided the meter test results from 1993. ComElec made a request to witness the 1994 meter test. It was stated that witnessing the test along with NorthEast Utilities would be acceptable. ComElec requested that a two week notice be given prior to the test. Altresco stated that historically tests have been in May or June and are scheduled by NorthEast Utilities. NorthEast Utilities usually provides a six week notice, but is only required to provide a one week notice by contract.

Unit Starts and Stops Issues

ComElec currently has a problem within NEPOOL billing concerning the number of starts and stops for the Altresco facility. ComElec stated that they are paying more than expected to

NEPOOL, because of this problem. During the first three months of the contract, ComElec used almost one third of its allotted starts and stops. The problem is of most concern during the months of April to June and October to November. ComElec has entitlements to two nuclear facilities (Seabrook and Pilgrim) that significantly reduce its need for power from Altresco during these low usage months. The starts and stops are contractual and not a physical start and stop of the Altresco facility.

Altresco is attempting to modify permits to allow for an increased number of starts and stops. Currently by permit, the facility is limited to 240 gas turbine starts per rolling year. Altresco has approached the DEP with a request to eliminate the limitation on gas turbine starts. It is expected to take up to 180 days to get the approval from the DEP.

Incremental Cost Production Penalty

This issue is tied to the unit start and stops problem. ComElec saw a \$100,000 penalty from NEPOOL, due to the start/stop problem. The problem may be one of interpretation between ComElec and NEPOOL. ComElec has performed a study on the subject and expects to see the results in the next week or two.

Dispatch Price/Monthly Energy Charge Index Factor & Replacement Fuel Index

Differences in the method of calculating the various factors for billing were discussed between Stacey Santilli and John Podrecca. Discrepancies occurred as ComElec takes gas prices from the current month, while Altresco takes its gas prices from the month prior to billing. The Altresco pricing method matches the pricing used for NEPOOL dispatching. The Makowski Fuels Group will be sending out a letter clarifying these calculations.

Results of the Winter Capability Audit

A copy of the Winter Capability Audit was given to ComElec during the meeting. ComElec made the request that a copy be sent to them along with NEP as a courtesy.

Communication/Notification Contacts

Both parties agreed that communication between the two has been very good and no significant problems exist.

Other

It was decided that the next meeting would occur sometime in November 1994.

Altresco Pittsfield Cogeneration Project
Cambridge-Commonwealth Electric
Administrative Committee Meeting
March 8, 1994
11:00 AM

11:00 Introduction and Plant Tour

12:00 Lunch

1:00 Business Discussions

- Review of Prior/Planned Dispositions and Substitutions
- Metering Issues
 - Recorder Project Status
 - Meter Testing
- Unit Starts and Stops Issue
- Incremental Production Cost Penalty
- Projected Capacity Swaps Under Exchange Agreement
- Dispatch Price/Monthly Energy Charge Index Factor
- Replacement Fuel Index
- Results of Winter Capability Audit
- Communication/Notification Contacts
- Other

COM Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

May 9, 1994

Mr. George A. Lehner, General Manager
Altresco Pittsfield, L.P.
235 Merrill Road - Post Office Box 4579
Pittsfield, MA 01202

Re: March 8 Administrative Committee Meeting Minutes

Dear Mr. Lehner:

Thank you for putting together the minutes from our March 8 Administrative Committee meeting. The Company's representatives found the plant tour to be informative and were very impressed with your facility. Once again, thank you for your hospitality.

Although I found the minutes to be generally accurate, for the record, I must attempt to clarify a few items. They are as follows:

1. Review of Prior/Planned Dispositions and Substitutions

After our Administrative Committee meeting on August 25, 1993, I wrote a letter (dated September 27, 1993) to you, in which I made an attempt to provide some clarification as to what the Company is looking for with respect to Section 14.1 of the Power Sale Agreements. Based on your March 7, 1994 letter to me and the minutes from the March 8 Administrative Committee Meeting, I do not think that I was successful. Allow me to try again.

To begin, the Company's basic interpretation of the PSA's with respect to this issue is as follows:

Section 14.1 of the PSA's states that Altresco may dispose of parts of the Unit which it determines to be inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary under two conditions:

- (i) such action does not change the nature of the unit to the extent that it would not constitute the type of electricity generation facility operated prior to such replacement; and
- (ii) prior written consent is obtained from the Company, which consent will not be unreasonably withheld.

In my September 27 letter to you, I tried to give you a better idea of the Company's position as to the type of work which would fall under the requirements of Section 14.1 (as interpreted above). In so doing, I utilized the phrase, non-routine maintenance. Regrettably, I did not define non-routine maintenance. Hence, for the purpose of Section 14.1 of the PSA's, the Company defines non-routine maintenance as follows:

Altresco's intent to remove or substitute parts of the Unit which it determines to be inadequate, obsolete, worn out, unsuitable, undesirable, or unnecessary; and such action could be considered atypical (in terms of the age of the equipment or the type of equipment involved) when benchmarked against industry standards.

Thus, if Altresco intends to perform non-routine maintenance on the Unit or make non-routine modifications to the Unit, per Section 14.1 of the PSAs, the Company expects to receive a written request for its consent to such non-routine modifications or maintenance, before its commencement.

If during routine maintenance (during an annual inspection for example), Altresco deems it necessary to perform non-routine work (as defined above), per Section 14.1 of the PSAs prior written consent is not required. However, documentation of the equipment replaced or modified should be reported to the Company as soon as possible.

As an example, if you intend to make modifications to the cooling tower and combustion turbine air inlets in the future, due to the age of the facility, this would appear to be non-routine maintenance. Therefore, prior written consent from the Company, which will not be unduly withheld should be obtained before beginning such work. The Company understands this to be a requirement, not a courtesy.

2. Metering Issues

The Company is willing to attend annual meter tests as scheduled by Northeast Utilities, in lieu of requesting a meter test at another time during the year, provided that (i) adequate notice (at least two weeks) of the date and time of said test is given to the Company, and that (ii) Company personnel is available to witness the test on the scheduled date. If adequate notice is not given, or if a date acceptable to all parties can not be found, then per Article 7.2 of the Power Sale Agreements, the Company may request that a meter test be conducted at the Company's convenience.

3. Unit Starts and Stops

During the first three months of the contract, the Company used approximately 51 contract stops (i.e. two units off line and the third unit at its minimum load). This quantity of contract stops was in violation of the NX-12 in effect at the time. Thus the Unit was run in the Company's own load at loads carried (i.e., whatever level the Unit ran in actuality is carried over to the own load dispatch) for the remainder of 1993.

The Company has entitlements in eight nuclear units which should run in its own load before Altresco. Because of light load periods, there were occasions when one or more of these nuclear units was backed down in order to include Altresco's generation in the Company's own load dispatch. This had to be done because Altresco did not provide the Company with the number of starts and stops required by the PSAs.

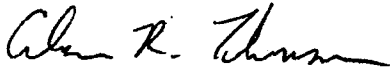
Mr. George A. Lehner
May 9, 1994
Page Three

4. Incremental Production Cost Penalty

The Company's own load production cost increased by approximately \$26,000 due to NEPOOL's treatment of the Altresco Unit in the Company's own load dispatch. In addition, preliminary studies indicated that the Company's own load production costs increased by an additional \$100,000 due to the starts/stops issue (as discussed above). Subsequent studies showed this cost to be \$63,040.

If you have any questions or comments regarding the contents of this letter, please contact me. I would be happy to discuss them with you further.

Sincerely,



Alan R. Johnson
Power Supply Administrator

cc: D. P. Ciullo
J. J. Podrecca
File

COM Electric**Interoffice
Correspondence****Subject** Altresco Meeting June 16, 1994**Date** June 20, 1994**To** A. C. Gould
A. R. Johnson
M. R. Kirkwood**Organization and Area**
Resource Planning & Administration
Power Supply Administration**Attendees:**D. P. Ciullo George Lehner
A. C. Gould Phil Smith
A. R. Johnson

At a meeting on June 16, 1994, Phil Smith and George Lehner of J. Makowski Associates described their concerns regarding the withholding by Commonwealth Electric Company of a \$63,040 Incremental Production Cost Penalty in what is being referred to as the "stops/starts" issue. The purpose of Altresco's visit was to gain a better understanding of how it was determined that no stops remained. A discussion on this issue ended with my informing Altresco that I would talk to NEPOOL and inquire as to how they determined that no stops remained. Altresco also wanted some detail to look at, which substantiates the penalty figure. I told them that the runs were proprietary and that I would look into sending them some sanitized data.

Phil Smith took issue with the method we use to count stops at the unit. He claimed that we could not count a stop if we did not initiate the NEP Exchange. Commonwealth disagreed with that statement, pointing out that our power contract contains no such requirement or language.

Finally, we brought up the cap issue in the MASSPOWER contract. A circumstance in which Commonwealth ends up paying for losses was discussed. Phil Smith was confused on this issue. It was left that Commonwealth would provide documentation of its concern via letter.

Action Items

1. Commonwealth to talk to NEPOOL to determine how it was determined that no stops remained. Commonwealth to describe that discussion to Altresco.
2. Commonwealth to give an example of how the current MASSPOWER payment methodology could result in Commonwealth paying for losses that are the responsibility of MASSPOWER.

Dan
Dan Ciullo

cc: Altresco File ✓
MASSPOWER File

cc
Dan
A.J.
File



November 2, 1994
AL3213

Ms. Annmarie Cestari, Power Supply Administrator
Commonwealth Electric Company
2421 Cranberry Highway
Wareham, MA 02571

Altresco Pittsfield Cogeneration Project
Semi-Annual Administrative Committee Meeting

Dear Ms. Cestari:

This letter confirms our November 1, 1994 phone discussions. As we agreed, the meeting will be held at 10:30 am on November 21, 1994 at your office. Phil Smith and I will be attending the meeting for Altresco.

I have incorporated your agenda items into the following agenda:

- EWG Status
- Annual Average Steam Flow
- Steam Sales Agreement
- NEPOOL 480 Report
- NX-12 Starts & Stops
- Planned Dispositions and Substitutions
- Forecast of Exchange Agreement Capacity Swaps
- Results of 1994 Summer Capability Audit
- Miscellaneous

November 2, 1994

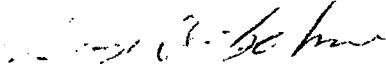
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Please feel free to contact me with any additional agenda items that may come to mind. I will add them to the agenda.

We are looking forward to meeting with you on November 21, 1994.

Very truly yours,

ALTRESCO PITTSFIELD, L.P.
By Altresco Inc.
Its General Partner



George A. Lehner
General Manager

GA/b

pc: C.Terajewicz
P.Smith
D.MacDonald
Altresco Pittsfield Project File

COM Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

December 22, 1994

Mr. George A. Lehner, General Manager
Altresco Pittsfield
235 Merrill Road - P.O. Box 4579
Pittsfield, Massachusetts 01202

Re: Administrative Committee Meeting Minutes

Dear George:

The following Minutes are taken from notes I made during our Administrative Committee Meeting which was held on November 21, 1994 in Wareham.

Attendees:

A. G. Cestari
D. P. Ciullo
D. C. Wilson

G.A. Lehner
P.C. Smith

1) EWG Status

The Company expressed its concern that the timing of Altresco Pittsfield's filing for EWG Status could be related to Altresco's recent determination that General Electric's ("GE") steam needs were not as great as originally anticipated and that this reduction in steam sales to GE could effect the Facility's existing QF Status. Altresco assured the Company that the two events; (the filing and the steam reduction), were totally unrelated, and that the Facility is in no danger of losing its QF Status. Rather the filing was made due to the recent purchase of J. Makowski by Pacific Gas and Electric Company.

2) Annual Average Steam Flow

Altresco explained that the facility's QF Status is judged by annual average steam flow not periodic steam flow. In order to maintain its QF Status the Facility must sell approximately 300 million pounds of steam per year to its steam host. Altresco estimated the 1994 steam sales were approximately 600 million pounds. This steam load is consistent with what Altresco expects into the future, but is lower than what was originally anticipated.

Altresco indicated that the Plant could still operate in the event of a drastic reduction in steam flow to its steam host.

3) Steam Sales Agreement

Pursuant to its November 4 request, the Company received an excerpt of the Altresco/GE Steam Sale Agreement from Phil Smith on November 16.

4) NEPOOL 480 Report

The Company explained that it is currently using the NEPOOL 480 report metered energy data in calculating its monthly billing statements for Altresco. The Company showed Altresco the relevant portion of the October 480 report which was used in calculating the October statement. Altresco asked why there was a difference between the NEPOOL preliminary share and final share. The Company explained that the preliminary share was the daily figures as reported to the POOL. The final share consists of the daily numbers plus any month end adjustments made due to erroneous daily reports.

5) NX-12 Starts & Stops

Altresco explained that after a lot of discussion with the DEP, the NX-12 effective November 1, 1994 allows for 300 starts/stops per year. This is consistent with what the Power Sale Agreements allow for and should alleviate any problems with starts and stops in the future.

6) Planned Dispositions and Substitutions

Altresco explained that overall, the Plant has been operating with no problems. The Plant operated at 97% availability in October. The Gas Supply was reliable and there was no need to switch over to fuel oil. NOx control was satisfactory and there were no environmental changes.

The "tool shop" is undergoing remodeling. Its existing metal exterior is being upgraded to concrete.

The walk ways in the boiler area have also been upgraded.

7) Forecast of Exchange Agreement Capacity Swaps

Altresco asked if it would be possible to get a quarterly forecast of Exchange Agreement Capacity Swaps. I will have to get back to you on this issue George.

8) Results of 1994 Summer Capability Audit

Due to the results of the Facility's past two summer capability audits the Unit's summer capability has been derated from 145.61 MW to 142.51 MW. Altresco explained that it is currently involved in discussions with New England Power which should result in the Unit regaining its prior rating of 145.61 MWs.

Mr. George A. Lehner
December 22, 1994
Page 3 of 3

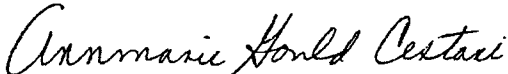
9) Miscellaneous

In February of 1994 there was an Unscheduled outage due to the need for a bucket change on the turbine. This was the result of a design defect in the GE turbine. It resulted in a five day outage.

As promised enclosed is a complete CRS Book.

George, If you have anything to add to these Minutes please feel free to do so. I hope your holidays are enjoyable.

Very truly yours,



Annmarie Gould Cestari
Power Supply Administrator

Enclosure

cc: D. P. Ciullo
P. C. Smith (Makowski)
D. C. Wilson

COM/Electric

Commonwealth Electric Company
2421 Cranberry Highway
Wareham, Massachusetts 02571
Telephone (508) 291-0950

May 31, 1995

George A. Lehner, General Manager
Altresco Pittsfield
235 Merrill Road - P.O. Box 4579
Pittsfield, MA 01202

RE: Administrative Committee Meeting Minutes

Dear George:

The following Minutes are taken from notes I made during our Administrative Committee Meeting which was held on May 17, 1995 at the Pittsfield facility.

Present at the meeting:

Altresco

George Lehner
Phil Smith

COM/Electric

Annmarie Gould Cestari
John Podrecca
Dave Wilson

1. Overview of Plant

George gave us an overview of the operation of the Plant. No particular problems were noted.

2. Planned Outage Schedule

George distributed a handout which outlined the maintenance outage schedule for the facility for 1995. George noted that New England Power requested that the June outage be postponed for one week. Altresco had to deny this request as contractors have already been hired to perform maintenance for the scheduled outage period.

3. Planned Dispositions and Substitutions

George hand delivered a letter to me (Annmarie) dated May 17, 1995, pursuant to Article 14.1 of the Power Sales Agreement (PSA), in which he stated Altresco has not made any dispositions or substitutions since its last letter dated August 26, 1994, and that it does not have any plans for the foreseeable future.

4. Good Utility Practice - Engineer Certification

Pursuant to Article 14.4 of the PSA Altresco is to provide the Company with an engineers report attesting to the fact that the Unit is being maintained in accordance with Good Utility Practice. George requested that the Company waive this requirement since the Unit has demonstrated a high availability in the past year. I informed George that I did not believe the Company would be willing to waive a contractual obligation but I told him I would speak to Dan Ciullo and get back to him. If the request is denied, George requested that the Company let him know what level of detail the report should meet.

5. Outage Communication

George informed the Company that when Altresco personnel call the Company Control Center to inform Company personnel that the Unit is going off-line or has tripped Company personnel seem unaware of what to do with this information. I told George that I would speak to the Control Center supervisor and ask him to inform all of the operators that they should be logging these calls. I told George that his operators should continue to call the Company and that George should continue to follow-up with a letter to Dick Volta.

6. Plant Tour

George conducted a tour of the plant for the benefit of Company personnel.

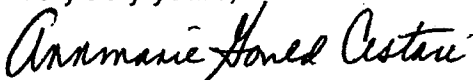
7. Miscellaneous

During the tour, George explained that on May 9th and 10th, Northeast Utility Company ("NU") was performing maintenance work in the Doreen and 14E substations. On May 10th NU crews working in the area had to open

the transmission line breaker. Altresco did not have enough notice of this breaker operation to manually take the Unit off-line and a complete station trip resulted.

George the above points are what I believe to be the major topics discussed at our Meeting. Please feel free to provide comments. Again, I would like to thank you for the tour of the Plant and for a very enjoyable lunch.

Very truly yours,

A handwritten signature in cursive script, reading "Annmarie Gould Cestari".

Annmarie Gould Cestari
Power Supply Administrator

cc: D.P. Ciullo
J.J. Podrecca
P.C. Smith (J. Makowski)
D.C. Wilson



file
cc Annmarie
Attachment RR-AG-3(k)

June 8, 1995

Ms. Annmarie Gould Cestai
Power Supply Administrator
Commonwealth Electric Company
2421 Cranberry Highway
Wareham, MA 02571

Altresco Pittsfield Cogeneration Project

Dear Ms. Cestari:

Thank you for preparing the minutes of the May 17, 1995 Administrative Committee Meeting.

I would like to add the following to Item 1:

- a) Altresco advised the Company of erosion problems with the HRSG upper LP tube bends and that these tubes will be replaced during the 1995 planned outages. Replacement material is more resistive to this erosion problem. This problem appears to be common to the cogen industry.
- b) Altresco advised the Company it has experienced fouling of HRSG fin tubes with ammonium bisulfate. This is a reaction product produced from ammonium hydroxide injection for NOx control and sulfur in fuel oil burned. The deposits will be removed during the planned 1995 outages. This phenomenon is also common throughout the industry.

June 8, 1995

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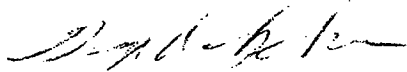
I wish to thank you for traveling to Pittsfield for the meeting. We are proud of our facility and appreciate the opportunity to show it to our customer.

Very truly yours,

ALTRESCO PITTSFIELD, L.P.

By Altresco Inc.

Its General Partner



George A. Lehner

General Manager

GAL/b

pc: P.Smith

G.Grunbeck



Rec'd 11/14/95
AGC

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November 8, 1995

Annemarie Gould Cestari
Power Supply Administrator
Commonwealth Electric Company
2421 Cranberry Highway
Wareham, MA 02571

Altresco Pittsfield Cogeneration Project

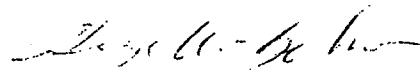
Dear Ms. Cestari:

Attached for your files is a copy of today's administrative meeting minutes. Also attached is a copy of the 1996 Maintenance Outage Schedule requested by you during the meeting.

If you have any questions or comments please call me.

Very truly yours,

ALTRESKO PITTSFIELD, L.P.
By Altresco Inc.
Its General Partner


George A. Lehner
General Manager

GAL/b

enc(s)

pc: G.Grunbeck
P.Smith
D.Montanile

ComElect Administrative Committee Meeting
November 8, 1995 - 10:30am
Via Teleconference

Meeting Minutes

Attending:

ComElect
Dan Cuillo
Annemarie Cestari

Altresco
Phil Smith
George Lehner

1. ComElect advised that things are going well with the Pittsfield project and in view of that they prefer to hold the Administrative Committee Meetings by teleconference call unless some major problem were to develop. Altresco advised it preferred this approach also. ComElect said it would still like to visit the plant once every two years unless a problem necessitated visiting the plant sooner.
2. **1996 Maintenance Plan** Altresco reviewed the 1996 Outage Plan with Unit B major being conducted in April and Unit A major inspection and a steam turbine major inspection being done simultaneously in September. Concurrent with the September outage there will be a total plant outage over one weekend to do maintenance on the steam export system and common balance of plant equipment. Annemarie requested a copy of our maintenance schedule. George advised he would send that copy today, after the meeting, by fax.
3. **Planned Dispositions & Substitutions** George Lehner advised that he had sent a letter to Annemarie last week advising that there were no dispositions or substitutions planned in the foreseeable future.
4. **Capacity Exchange** ComElect advised that its situation has improved and they do not expect to exercise the Exchange Agreement in the foreseeable future.
5. **Engineer's Report** Annemarie advised that ComElect had reviewed the Engineer's Report prepared by EDM and that the report was acceptable.
6. **NX-12s** Annemarie said that they had received a copy of the new NX-12s and saw that the administrative reduction had been removed by NEP and thought that it was a good step to eliminate confusion in the future.

U.S. Generating Company
Pittsfield Generating Plant

File
Atkesco
Pittsfield

February 12, 1997

Dan Ciullo
Power Supply Administrator
Commonwealth Electric Company
2421 Cranberry Highway
Wareham, MA 02571

Pittsfield Generating Company
Semi Annual Administrative Committee Meeting

Dear Mr. Ciullo:

This letter is to document, for administrative purposes, that the Administrative Committee met on December 2, 1996 in Commonwealth Electric's office in Wareham, MA.

During the meeting the following items were discussed.

1. Modifications or obsolesce; there have been no significant modifications or obsolesces of plant equipment to report.
2. PGP reviewed the transition from GEO&M, as the operations and maintenance contractor, to US Generating Company self operation of the project. The transition went very well without any interruption of service.
3. PGP reviewed the November 1996 Unit B unplanned major inspection to correct damage resulting from General Electric Power Generation Services' defective workmanship during the April 1996 planned major inspection. Significant turbine rotor foreign object damage occurred resulting in the unit being off-line from November 2 - 23, 1996 for repairs.
4. PGP advised C/E of the potential for a hot gas path inspection on Unit A in the first quarter of 1997 to replace defective second stage turbine blades recently condemned by GE. The outage will last approximately six days.



February 12, 1997

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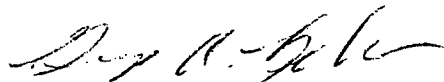
5. PGC advised that the NEPOOL Winter Claimed Capability Test is scheduled for December 5, 1996. PGP noted that it expected an increase in capability of several mw since three units have undergone major inspections in 1996 and one in the fall of 1995.

Please advise when you would like to schedule the next semi annual Administrative Committee Meeting.

I enjoyed meeting with you and discussing our contract matters as well as the effects of industry restructuring.

Very truly yours,

PITTSFIELD GENERATING COMPANY, L.P.
By Altresco Inc.
Its General Partner



George A. Lehner
General Manager

/b

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Record Request AG-4 (Tr. 1, at 182)

Please provide records of communications from NSTAR Electric to Pittsfield wherein NSTAR Electric sought to terminate the existing Pittsfield PPAs because of disputed issues identified in response in Information Request AG-1-1.

Response

The Companies did not seek to terminate the Pittsfield PPAs because of the disputed issues; therefore no records exist. Rather, after review of the PPAs and conferring with counsel, the Companies disputed the method by which Pittsfield was administering the contract. Informal telephone conversations took place between the Companies and Pittsfield prior to the Companies issuing the letter outlining the Companies' position. A copy of this letter was provided as Attachment AG-1-1(u).